

## **Business Community Leaders Support Terrorism Risk Insurance Act Reauthorization**

Today, the House will vote to reauthorize the Terrorism Risk Insurance Act, which expired on December 31 after the Senate failed to pass the House's bill, which passed with a strong bipartisan vote of 417-7. This program provides certainty to American businesses that they will not have to suffer catastrophic losses in the event of a terrorist attack, which gives them greater confidence to invest in our economy. In order to provide businesses with certainty so that they can support job creation and economic growth, the 114th Congress must come together to pass legislation to address this important legislative priority without delay. Business community leaders agree with Democrats and Republicans alike that reauthorizing the Terrorism Risk Insurance Act is critical to our economy:

**U.S. Chamber of Commerce:** "...[T]he world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, strongly supports H.R. 26, the 'Terrorism Risk Insurance Program Reauthorization Act of 2015.' In the months following the 9/11 terrorist attacks, the inability of insurance policyholders to secure terrorism risk insurance contributed to a paralysis in the economy, especially in the construction, travel and tourism, and real estate finance sectors. Since its initial enactment in 2002, the program has served as a vital public-private risk sharing mechanism, ensuring that private terrorism risk insurance coverage remains commercially available and that the U.S. economy could more swiftly recover in the event of a terrorist attack. H.R. 26 is a balance that would ensure commercial availability of coverage while increasing taxpayer protections... **The Chamber believes that Congress must act immediately to reauthorize this critical program** which was regrettably allowed to expire on December 31, 2014, and urges you to pass H.R. 26, the 'Terrorism Risk Insurance Program Reauthorization Act of 2015.'" [Letter, [1/6/15](#)]

**More than 40 Businesses, Tourism and Banking Groups:** "TRIA is a critical public-private partnership that facilitates a private insurance market for terrorism risk insurance. **The program has enabled economic development and supported job growth by assuring that lenders, borrowers and developers have the protection needed to proceed with existing and new projects.** TRIA likewise ensures economic resiliency in the event of a terror attack on our nation, while simultaneously protecting taxpayers via a mandatory recoupment mechanism." [Letter, [12/14/14](#)]

**47 Businesses, Federal and State Trade Associations:** "The delay in extending this program has already resulted in increased risk and cost for employers across the country and failure to enact an extension will impose additional costs with respect to workers' compensation for business and negatively impact job creation. Workers' compensation cannot exclude terrorism, impose policy limits, or exclude losses from nuclear, biological, chemical, or radiological (NBCR) attacks. The risk falls directly on workers' compensation and the employers who are required to maintain coverage for workers. **A review of the impact of failing to extend the program was conducted by RAND, concluding that workers' compensation policy premiums would increase, more policies would be pushed into residual markets and employers would be required to absorb additional risk. These costs are not theoretical. They impact business every day.** The recent increased terrorism threats only underline the need to act now to extend this program." [Letter, [11/5/14](#)]

**The National Association of Manufacturers:** "This legislation would ensure that manufacturers and other businesses will be able to obtain adequate insurance to protect against losses from a terrorist attack, minimizing the potential impact of these events on commerce and the economy overall." [Letter, [12/10/14](#)]

**Jeffrey DeBoer, President and CEO of The Real Estate Roundtable:** "There is broad agreement that TRIA does disrupt a primary goal of terrorists to destroy the US economy. TRIA allows businesses to obtain insurance

*Office of Democratic Whip Steny H. Hoyer, 01/07/15*

against the risk of terror attacks and therefore the financing necessary to keep job creating projects moving forward... **During its existence TRIA has not cost the government or the nation's taxpayers anything.** It has reduced the expected government expense following a terror attack... **Last year's stalled effort to extend TRIA has unnecessarily put America at great economic risk...** For businesses, conservative estimates maintain that 1.5 million American businesses last month had terror insurance because of TRIA. Nearly 1 million of these businesses immediately lost their terrorism insurance coverage on Jan 1 when TRIA ended... Let's not lose this momentum. Congress needs to act and act quickly in 2015 to remove a significant growing cloud over the economy. It must reauthorize and extend TRIA. **The potential from inaction for lost jobs, economic activity, and tax revenue at all levels of government is all to clear.**" [The Hill, [1/6/15](#)]

**Nat Wienecke, Senior Vice President of Federal Government Relations at the Property Casualty Insurers Association of America:** "PCI [Property Casualty Insurers] praises House leadership for making TRIA a top priority this week... We urge the House and Senate to act swiftly to pass the Terrorism Risk Insurance Program Reauthorization Act of 2015 and send the legislation to the president's desk." [Business Insurance, [1/6/14](#)]

**Leigh Ann Pusey, President and CEO of the American Insurance Association:** "Congress must make it a top priority to immediately take up and pass the already agreed-upon House-Senate TRIA reauthorization provisions... We urge the Senate to quickly pass the bill in order to restore market certainty and protect our economy against major acts of terrorism." [Business Insurance, [1/6/14](#)]

**Martin DePoy, Spokesman for the Coalition to Insure Against Terrorism:** "There are probably 1.5 million businesses that had terrorism coverage prior to 2014, and we believe about 1 million of those lost coverage at the end of the year," said, with another half million set to lose coverage." [Washington Examiner, [1/6/15](#)]

**Mike Becker, Executive Vice President and CEO of the National Association of Professional Insurance Agents:** "PIA urges Congress to do the responsible thing and pass this bill, or similar legislation, to provide a long-term, straightforward reauthorization of TRIA before the program's lapse causes serious damage to the U.S. economy and our national security. **It is critical that Congress provide a long-term extension of TRIA to give certainty to consumers and stability to the markets.**" [Letter, [1/5/15](#)]

**Douglas Holmes, President of UWC – Strategic Services on Unemployment & Workers' Compensation:** "The delay in extending this program has already resulted in increased risk and cost for employers across the country and failure to enact an extension will impose additional costs with respect to workers' compensation for business and negatively impact job creation." [Release, [11/5/14](#)]

**"Business leaders warned Wednesday [December 17] of disruptions in the insurance and commercial real-estate markets after Congress adjourned without extending the federal government's terrorism insurance program... Real-estate owners and insurance-industry officials said the program's expiration will trigger a few immediate problems such as defaults on some office-building mortgages. More harmful repercussions, such as work shutdowns on developments, would result if the program is discontinued for a long period, they said... Business leaders said major headaches would be avoided if Congress acts quickly in 2015... Insurance industry executives said the lack of a federal backstop could create havoc in the real-estate industry and other businesses."** [Wall Street Journal, [1/17/14](#)]

**"A broad coalition of business groups has pressured lawmakers to reauthorize TRIA, which allows for the federal government to act as a backstop following a catastrophic terrorist attack."** [The Hill, [1/5/15](#)]

**"...Congress' failure to extend the Terrorism Risk Insurance Act beyond Dec. 31, 2014 could chill transactions, according to a survey of Commercial Real Estate Finance Council members released on Monday. TRIA provides a federal backstop against potential losses from terrorist attacks."** [National Mortgage News, [1/5/15](#)]